

**FAMILY PLANNING PROGRAM****SECTION:** Fiscal Administration**POLICY AND PROCEDURE MANUAL****SUBJECT:** Billing and Collections

**POLICY:** Each delegate agency is responsible for the implementation of policies and procedures for billing and collecting funds for services provided by that project.

**GUIDELINES:**

1. All clients must complete an income worksheet at least annually. It is recommended that clients also complete one whenever a change in income occurs. (Copy of the Income Worksheet may be found in the Appendix.)
2. A Schedule of Discounts is applied to charges for individuals, whose family income is between 101% and 250% of poverty, using the State established table "Schedule of Discounts." The schedule is updated annually after the publication of the new poverty guidelines in the Federal Register. (See Attachment – Schedule of Discounts\*)
3. Family means a social unit composed of one person or more persons living together as a household.
4. Clients whose documented income is less than 100% of poverty are not billed. No insurance co-payment may be charged to clients  $\leq$  100% of poverty.
5. All other clients, Code 1-4, will be billed for services based on their assessed Income Code as long as client confidentiality is not jeopardized. [59.5(a)8]
6. Charges must be waived for individuals with family incomes above 250% of the Federal poverty level who, as determined by the service site project director, are unable, for good cause, to pay for family planning services.
7. Any minor (defined as a person under 18 years of age) must be billed according to her/his household/family income except when the minor is:
  - a. completely emancipated under state law, or
  - b. seeking confidential services.If the minor qualifies under a or b, then the Schedule of Discounts is applied based solely on her/his income.
8. A delegate agency may bill a client full fee, regardless of their income code, when the client requests services that are not required by the Title X program or generally provided to all other clients.
9. Bills provided onsite or mailed to clients will show total charges less any allowable discount.
10. Delegate agencies must bill all third parties legally obligated to pay for services. Bills to third parties will show total charges without applying any discount.



11. A delegate agency may request, but must not require verification of income, e.g., paycheck stubs, income tax records.
12. Voluntary donations from all clients are permissible. However, clients must not be pressed to make donations, and donations must not be a prerequisite to the provision of services or supplies. Donations do not waive the billing/charging requirements set above.
13. Delegate agencies within the North Dakota Family Planning Program **shall not** turn clients who are behind in their payments over to collection agencies.
14. Clients shall be considered for write off as a "bad debt" when the client's record and ledger card are removed from the active file, placed in inactive status (18 months) and there is an outstanding balance.
15. If a client whose chart has been placed in inactive status and their account written off as a "bad debt", returns for services, the balance that was written off may be reinstated. The client may be asked to pay the balance that was written off.
16. Agencies must have a mechanism for notifying clients if they have a credit balance on their accounts. An overpayment may not be considered as a donation without the client's permission. Credit balances shall be treated in the same manner as outstanding balances at the time a client is deemed inactive and if they return in the future.
17. Each agency must establish policies and procedures for credit and collection which are available upon request by clients. Areas which should be addressed are:
  - a. Whether credit should be allowed and to what limit.
  - b. Mechanism for billing - how, when, frequency.
  - c. Mechanism for billing third party.
  - d. Definitions of and procedures for delinquent accounts.
  - e. Lines of authority and responsibility for implementation, modification, and/or exception of set policy.
18. Policies and procedures should be available to all clinic staff and their clients.
19. Policies and procedures should be reviewed and approved by the agency Governing Board prior to implementation; then should be reviewed annually.
20. A method for "aging" of outstanding accounts must be established.

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**References:**

1. Program Guidelines for Project Grants for Family Planning Services, 2001, pp. 7-8, Section 6.3, Financial Management, Charges, Billing and Collections.